



U.S. Department of Commerce

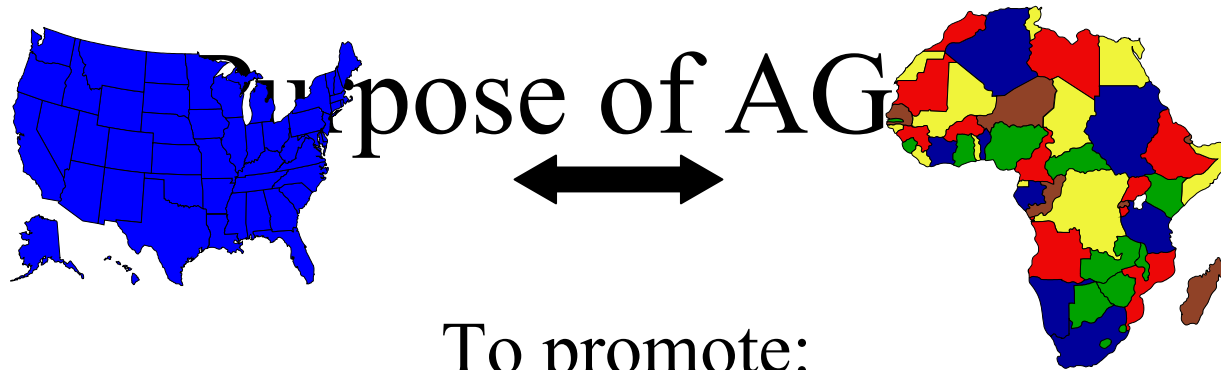
**AGOA**  
**The African Growth & Opportunities Act**  
**An Overview**

Presented by  
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**The African Growth & Opportunities Act**  
was signed into US law  
May 18, 2000  
as part of the  
**Trade and Development Act of 2000**

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AGOA includes more than duty-free and  
quota-free export to the U.S. on more than  
6,400 items



To promote:

- Increased trade & investment (US & sub-Saharan Africa)
- Sub-Saharan Africa economic development & reform

# The US President Determines AGOA - Eligibility

- **Established criteria** (establishment or progress toward market-based economy, rule of law, etc.)
- Country does not engage in activities that undermine **US national security** or foreign policy interests, or gross human rights violations
- Country must make **continued progress** in stated criteria to maintain AGOA – eligibility (annual review)

# Criteria for Presidential Determination of AGOA - Eligibility

Country must show established or continual progress toward:

- Market – based economy
- Rule of law
- Elimination of barriers to US trade & investments
- Economic policies to reduce poverty
- Policies to combat corruption
- Protection of labor rights

# *Why pay attention today?*

## Benefits of knowing the details

- AGOA provides for duty-free / quota-free treatment for *AGOA-eligible goods if requirements are satisfied*. *This makes your goods more competitive.*



## Cost of failing to comply

- Seizure
  - Detention
  - Exportation
  - Destruction
  - Penalties
- } of goods

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# Product Eligibility

- AGOA-eligible countries can export 1,800 + 4,600 GSP items duty free and quota free.
- AGOA extends GSP benefits for eligible Sub-Saharan African (SSA) beneficiary countries until September 30, 2008, seven years longer than in the rest of the world. SSA beneficiary countries are also exempted from *competitive need limitations*.
- A special set of conditions governs the trade in apparel.

# Rules of Origin for eligibility

- **What are *Rules of Origin*?**

These are rules developed by the WTO to determine the country of origin or production of commodities for the purposes of tariff treatment.

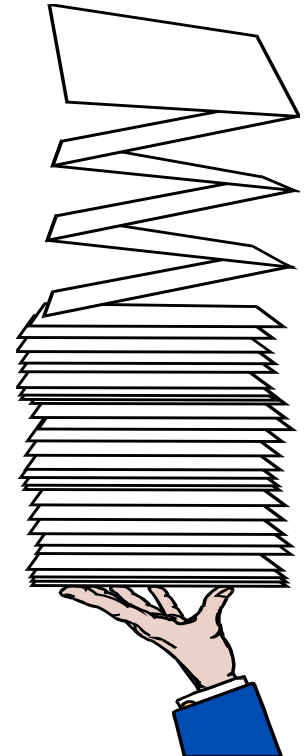
- **Who issues a *Certificate of Origin*?**

The exporter completes & signs the Certificate of Origin.



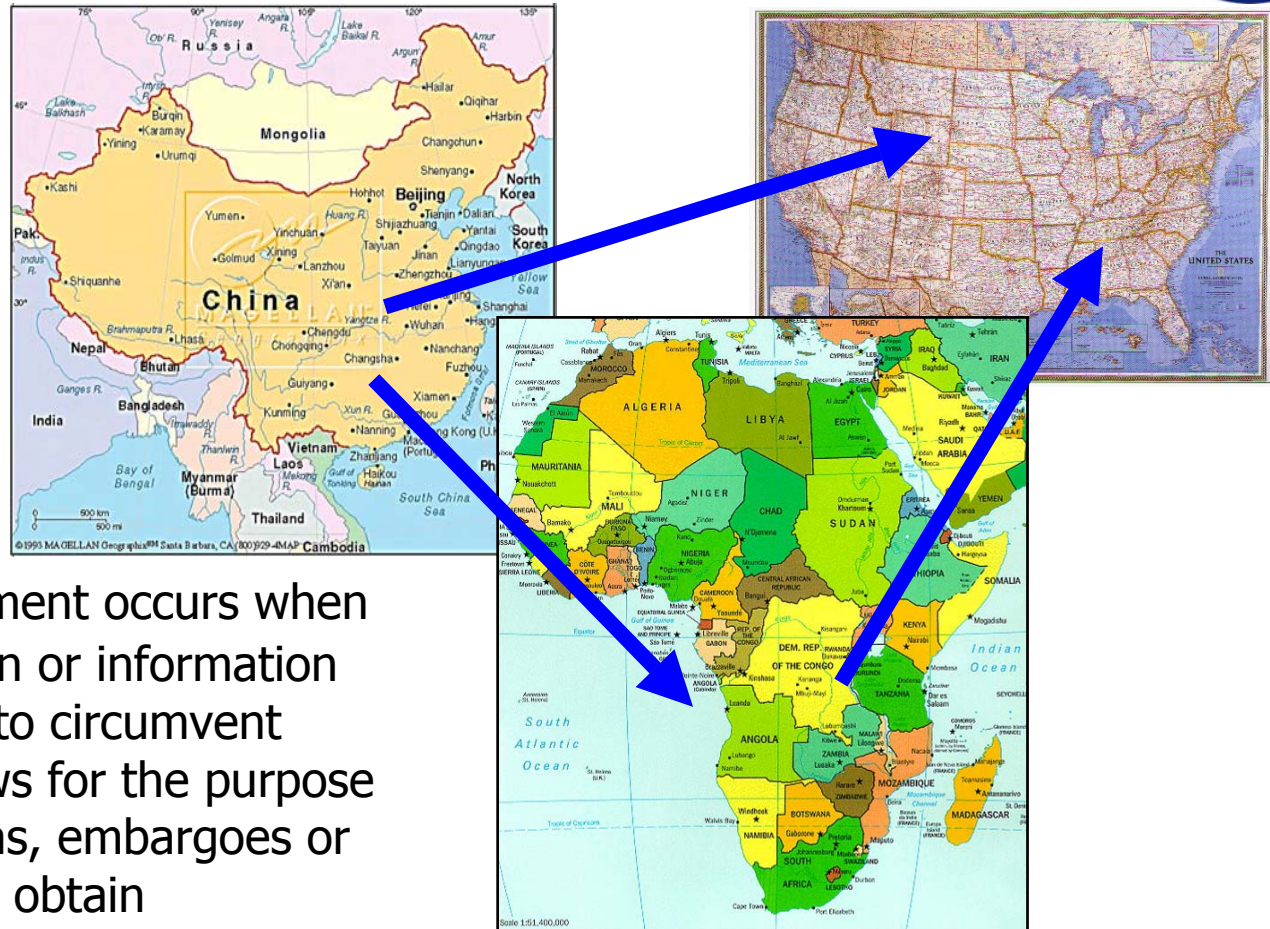
# Preferential Treatment **Conditioned on** **Enforcement** Measures **Against Transshipment:**

- Effective Visa System
- Verification
- Reporting
- Record Keeping





# What Is Illegal Transshipment?



Illegal transshipment occurs when a false declaration or information is given in order to circumvent existing trade laws for the purpose of avoiding quotas, embargoes or prohibitions or to obtain preferential duty treatment.

# Goods must be *Imported Directly*

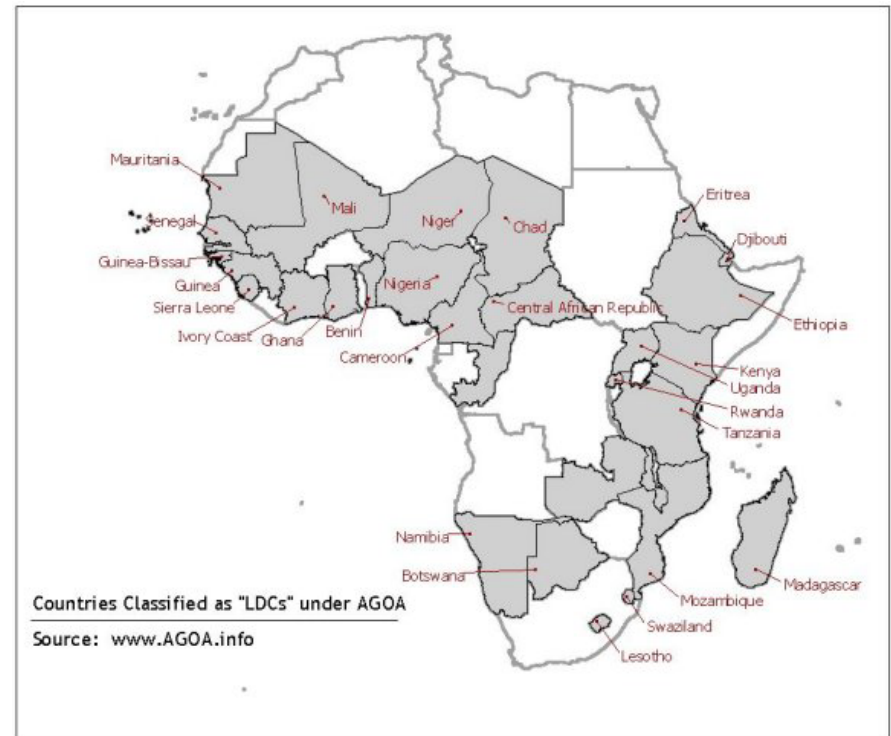
- Direct shipment from Sub-Saharan beneficiary country(s) to the US

*or*

- Shipment to US from Sub-Saharan beneficiary country(s) with goods passing through non-beneficiary country(s) *only if goods do not enter into commerce* of any non-beneficiary country

# What is a *“Lesser-Developed Country”*?

- A beneficiary sub-Saharan African country that had a **per-capita Gross National Product of less than \$1,500US in the year 1998**, as measured by the International Bank for Reconstruction and Development, plus Botswana and Namibia.
- **Includes all SSA countries except South Africa, Gabon, and Seychelles**



*Questions*

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